

*Incon*  
*M/041/0012*

Peter Brinton &lt;peterbrinton@utah.gov&gt;

**Bentonite Pits mine (M/041/0012, ML-1937) - new bond amount concurrence request**

Andy Bedingfield &lt;abedingfield@utah.gov&gt;

Mon, Oct 31, 2016 at 7:12 AM

To: Peter Brinton &lt;peterbrinton@utah.gov&gt;

I concur that the bond amount of \$397,000 is sufficient for this operation as it relates to the Trust Lands lease ML 1937.

Andy

On Fri, Oct 28, 2016 at 2:50 PM, Peter Brinton <peterbrinton@utah.gov> wrote:

Hi Andy,

Western Clay has updated its Notice of Intention and reclamation cost estimate to reflect current plans (expansion onto recently-leased SITLA lands west of current operations) and recent non-SITLA reclamation work.

Please see the attached and updated reclamation cost estimate, including the second page (Figure 2). The Red, North Slope, and West Strip Pits are all on State lands (ML-1937). The other areas are privately-owned. Based on Earthwork and Reclamation costs associated with just the State land disturbance areas, I propose that \$397,000 is an appropriate amount to allocate as reclamation surety for actual and planned mining disturbances on SITLA lands. This amount includes indirect costs and adjustment for projected inflation, etc.

Can you concur with the Division's intent to allocate \$397,000 of the total reclamation surety (\$738,000) for reclamation of mine disturbances on SITLA lands?

FYI, the updated reclamation plan (on which this calculation is based) assumes partial backfill of pits at slopes of 2H:1V using on-site materials and cutting down highwalls. In actuality, Western Clay has long had ongoing approval to backhaul waste material from their mill (largely sand-sized particles) to partially backfill pits, which practice they plan to continue. However, the Division assumes hauling mill waste for backfill would not be realistic in a bond forfeiture scenario.

Let me know if you have any questions or concerns. Thanks.

Peter

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